

Message Text

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ACTION STR-04

INFO OCT-01 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-07
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05
SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00
OMB-01 OIC-02 AF-08 ARA-06 EA-07 EUR-12 NEA-10
/132 W

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P R 051617Z APR 77
FM USDEL MTN GENEVA
TO SECSTATE WASHDC 2384
INFO AMEMBASSY BERN

LIMITED OFFICIAL USE SECTION 1 OF 2 MTN GENEVA 2582

PASS AGRICULTURE AND STR ELECTRONICALLY

STR ACTION

H PASS CODEL

E.O.11652: N/A
TAGS: ETRD, MTN, EAGR, SZ
SUBJECT: U.S.-SWITZERLAND MTN AGRICULTURAL CONSULTATIONS

REF: MTN GENEVA 736

1. SUMMARY. U.S. AAND SWITZERLAND HELD CONSULTATIONS
APRIL 4 ON THEIR RESPECTIVE NOTIFICATIONS UNDER MTN
GROUP AGRICULTURE PROCEDURES (MTN/AG/4). BOTH DELEGATIONS
AGREED THAT THE CONSULTATION WAS ESSENTIALLY A CLARIFI-
CATION EXERCISE OF NOTIFICATIONS MADE, THAT FURHTER
NOTIFICATIONS SHOULD NOT BE RULED OUT, AND THAT A REPORT
(OR REPORTS) SHOULD BE SUBMITTED TO THE GROUP AGRICULTURE
BEFORE ITS NEXT MEETING. THE SWILL EXPRESSED STRONG
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PREFERENCE FOR SEPARATE REPORTS WHICH, HOWEVER, WOULD
BE REVIEWED BY THE OTHER DELEGATION BEFORE SUBMISSION.
IN DISCUSSION OF SWISS NOTIFICATION U.S. DEL RECEIVED
CLEARER INDICATION OF SPECIFIC SWISS CONCERNS RE
PRODUCTS IT NOTIFIED. DISCUSSION OF U.S. NOTIFICATION
AGAINST SWITZERLAND PROVIDED USEFUL INFORMATION ON
SWISS RESTRICTIONS, AND ALSO A CLEAR INDICATION THAT

GOS INTENDS TO MAINTAIN ALL IMPORT RESTRICTONS NECESSARY FOR THE IMPLEMENTATION OF ITS BASIC AGRICULTURAL POLICY. BOTH DELS AGREED TO PROVIDE ANSWERS TO SEVERAL QUESTIONS WHICH HAD BEEN RAISED. ACTION REQUESTED PARA 5. END SUMMARY.

2. U.S. NOTIFICATION AGAINST SWITZERLAND: U.S. DEL (KOENIG ET AL) NOTED THAT WE HAD JUST RECEIVED A LETTER FROM THE SWISS (BEING TRANSLATED FOR TRANSMITTAL SEPTEL) STATING THAT ALTHOUGH THEY WERE NOT CONCERNED ABOUT WHERE CONSULTATIONS TAKE PLACE (I.E., UNDER NTM PARENT GROUP OR GROUP AGRICULTURE PROCEDURES), THEY WOULD WANT REPORTS OF ALL CONSULTATIONS ON AGRICULTURAL PRODUCTS TO BE SUBMITTED AT LEAST TO GROUP AGRICULTURE. THIS WAS IN REFERENCE TO THE U.S. NOTIFICATION OF THE SWISS VARIABLE LEVY ON DRIED PULSED UNDER NTM GROUP PROCEDURES FOR NTM'S "NOT DEALT WITH MULTILATERALLY" IT WAS AGREED THAT DUE TO THE SHORT NOTICE THIS ITEM WOULD BE HELD FOR DISCUSSION AT A LATER TIME. THE SWISS DEL (EBERHARDT ET AL) OPENED THE DISCUSSION WITH A BRIEF STATEMENT GIVING WELL KNOWN REASONS FOR SWISS AGRICULTURAL IMPORT RESTRICTIONS. HE SAID, HOWEVER, THAT DESPITE THE NECESSITY FOR THESE RESTRICTIONS, THE GOS IS LENIENT IN THEIR APPLICATION. HE CITED FACT THAT SELF-SUFFICIENCY IS ONLY ABOUT 50 PERCENT. U.S. DEL TOOK NOTE OF SWISS STATEMENT BUT

OBSERVED THAT THE QUESTION IS WHETHER ALL SWISS IMPORT RESTRICTIONS ARE NECESSARY TO ACHIEVE SWISS POLICY LIMITED OFFICIAL USE

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AIMS, OR WHETHER SOME COULD BE MODIFIED OR REMOVED.

A. POULTRY MEAT BTN 02.2: DURING DISCUSSION OF THE IMPORT SYSTEM ON POULTRY MEAT THE SWISS DEL MADE THE FOLLOWING POINTS: (1) THE SYSTEM IN SOT A "MIXING REGULATION" SINCE THERE IS NO QUANTITATIVE RELATIONSHIP BETWEEN IMPORTS AND DOMESTIC PURCHASES; (2) LICENSES ARE GIVEN TO IMPORTERS ON CONDITION THAT CONTRACTS FOR THE PURCHASE OF THE ENTIRE DOMESTIC OUTPUT HAVE BEEN MADE BY IMPORTERS; (3) ONCE THIS OBLIGATION HAS BEEN FULFILLED, IMPORTERS CAN IMPORT AS MUCH AS THEY WANT (THERE IS NO LIMIT); (4) DOMESTIC PRODUCTION IS INDIRECTLY RESTRAINED WITH THE CONSEQUENCE THAT 45 PERCENT OF CONSUMPTION IS ACCOUNTED FOR BY DOMESTIC PRODUCTION AND THIS PERCENTAGE HAS REMAINED RELATIVELY STABLE OVER THE LAST DECADE; AND (5) THERE IS A SUPPLEMENTARY IMPORT CHARGE (IN ADDITION TO THE SF 30/100 KG DUTY) OF SF 27/100 KG WHICH IS USED, INTER ALIA, TO LOWER THE PRICE OF DOMESTIC POULTRY, TO STABILIZE THE

MARKET AND TO FUND PROMOTIONAL ACTIVITIES.

B. CANNED POULTRY BTN 16.02: SWISS DEL STATED THAT THERE ARE NO QR'S ON CANNED POULTRY EXCEPT SANITARY CONTROLS. HE BELIEVED THAT THIS WAS NOT A PROBLEM FOR U.S. PRODUCTS.

C. RED WINE BTN 22.05: THE SWISS DEL POINTED OUT THAT THE QUOTA APPLIES ONLY TO RED WINE IN BULK AND NOT TO BOTTLED RED WINE. HE ADDED THAT THERE HAS BEEN A QUOTA FOR SEVERAL COUNTRIES, INCLUDING THE U.S. FOR ABOUT 20 YEARS WHICH HAS NEVER BEEN FILLED. THE QUOTA COULD BE ALMOST ENTIRELY FILLED BY U.S. WINE. HENCE ACCESS TO THE SWISS MARKET IS NOT DENIED TO U.S. WINE. HE AGREED TO PROVIDE US WITH ADDITIONAL INFORMATION ON THIS QUOTA. THE SWISS DEL ALSO NOTED THAT A LICENSE WAS GIVEN TO AN IMPORTER FOR PAUL MASSON WINE A FEW LIMITED OFFICIAL USE

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YEARS AGO BUT HE NEVER IMPORTED ANY, PROBABLY DUE TO PRICE CONSIDERATIONS. HE SUGGESTED THAT SINCE THE FRANC/DOLLAR EXCHANGE RATE HAS FALLEN OVER THE YEARS, U.S. WINE MIGHT BE MORE COMPETITIVE NOW THAN IT WAS.

D. WHITE WINE BTN 22.05: ACCORDING TO THE SWISS DEL ONLY "ORDINARY" WHITE WINES ARE PROHIBITED ENTERING SWITZERLAND. HOWEVER, HE SAID THAT THE LIST OF PERMITTED "SPECIALTY" WINES IS VERY LONG AND IN FACT INCLUDES WINES WHICH WOULD NORMALLY BE CONSIDERED

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INFO OCT-01 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-07
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05
SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00
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FM USDEL MTN GENEVA
TO SECSTATE WASHDC PRIORITY 2385
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PASS AGRICULTURE AND STR ELECTRONICALLY

STR ACTION

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TO BE "ORDINARY". HE ADDED THAT TO HIS KNOWLEDGE THERE HAS BEEN NO INTEREST EXPRESSED IN IMPORTING U.S. WHITE WINE. U.S. DEL STRESSED THE GROWING IMPORTANCE OF WINE TO U.S. EXPORTS, AND THE KEEN INTEREST U.S. PRODUCERS HAVE SHOWN IN GAINING MARKET ACCESS IN EUROPE.

E. SOYBEAN CAKE BTN 23.04: THE SWISS DEL ARGUED THAT THE QUOTA ON FEEDING STUFFS IS NECESSARY TO MAINTAIN THE PROPER RELATIONSHIP BETWEEN THE PRODUCTION OF FEEDS AND THAT OF ANIMAL PRODUCTS. HE SAID THAT SWITZERLAND'S AGRICULTURAL POLICY IN THE LIVESTOCK SECTOR REQUIRES THAT CONTROL BE MAINTAINED OVER FEED PRODUCTS. THIS CONTROL INVOLVES DOMESTIC LIMITED OFFICIAL USE

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PRODUCTION SUBSIDIES AND IMPORT RESTRICTIONS FOR GRAINS AND FEEDS. THE SWISS DEL EXPLAINED THAT THERE IS A SINGLE "BASKET" QUOTA FOR FEEDING STUFFS AND THE IMPORTER IS FREE TO IMPORT WHATEVER HE CHOOSES WITHIN THE QUOTA. THUS GRAINS AND OILCAKES ARE SUBSTITUTABLE WITHIN THIS QUOTA.

3. SWISS NOTIFICATION AGAINST THE U.S.:

A. BREEDING CATTLE, TSUS 100.01: U.S. DEL EXPLAINED CURRENT SITUATION REGARDING THE IMPORTATION OF CATTLE FROM SWITZERLAND DRAWING ON TALKING POINTS, AND CITED PERTINENT SECTIONS OF THE CODE OF FEDERAL REGULATIONS COVERING U.S. PROHIBITIONS AND QUARANTINE REQUIREMENTS. THE SWISS DEL ASKED STATUS OF QUARANTINE FACILITIES IN FLORIDA. U.S. DEL SAID THAT HE WOULD PROVIDE THE INFORMATION. SWISS DEL ALSO ASKED WHETHER IT WOULD BE POSSIBLE TO LIFT THE PROHIBITION ON IMPORTS FROM SWITZERLAND SINCE HE SAID SWITZERLAND HAS NOT HAD A CASE OF FOOT AND MOUTH DISEASE IN YEARS. US DEL REPLIED

THAT THIS IS A SCIENTIFIC QUESTION AND THE ANSWER TO IT WOULD PROBABLY HAVE TO TAKE INTO ACCOUNT SUCH FACTORS AS THE FACT THAT FOOT AND MOUTH DISEASE IS STILL ENDEMIC THROUGHOUT MOST OF EUROPE. HE ADDED THAT WHILE HE COULD NOT SAY WHEN OR UNDER WHAT CONDITIONS IMPORTS WOULD BE ALLOWED FROM SWITZERLAND, HE STRESSED THAT THE PROHIBITION IS NOT MOTIVATED BY COMMERCIAL PROTECTIONISM SINCE US PRODUCERS ARE INTERESTED IN IMPORTS OF PURE-BRED CATTLE.

B. SEMEN, TSUS 191.15: THE SWISS DEL EXPLAINED THAT SPECIFIC PROBLEM OF CONCERN TO EXPORTERS IS THE 60-DAY PERIOD OF VALIDITY OF US VETERINARY IMPORT LICENSES. (HE ASKED VERIFICATION THAT THIS PERIOD STILL IS IN EFFECT.) SUCH A SHORT PERIOD, HE SAID, DOES NOT PROVIDE ENOUGH TIME TO ASSURE THAT THE LIMITED OFFICIAL USE

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VARIOUS TESTS REQUIRED CAN BE PERFORMED. THIS IN TURN DOES NOT JUSTIFY THE EXPENSE OF ESTABLISHING THE TESTING FACILITIES. HE SUGGESTED THAT A PERIOD OF VALIDITY OF SIX MONTHS TO A YEAR WOULD BE NECESSARY TO ALLOW SHIPMENTS TO TAKE PLACE.

C. RAW HAM TSUS 106.40 AND DRIED BEEF TSUS 107.55 AND 107.60: THE SWISS DEL SAID THAT SWISS VETERINARY SPECIALISTS HAVE ACKNOWLEDGED THAT THEY HAVE NO REAL PROBLEM WITH DRIED BEEF AND THAT THEIR MAIN INTEREST IS IN THE HEALTH RESTRICTIONS ON RAW HAM. US DEL CONFIRMED THAT RAW HAM IS SUBJECT TO THE SAME PROHIBITION AS LIVE CATTLE BECAUSE OF FOOT AND MOUTH DISEASE.

D. CHOCOLATE CONTAINING ALCOHOL TSUS 157.10(40): US DEL CONFIRMED THAT CHOCOLATE CONTAINING ALCOHOL IS PROHIBITED ENTRY INTO THE U.S. AND CITED THE PERTINENT SECTION OF THE CODE OF FEDERAL REGULATIONS FOR DETAILS. THE SWISS DEL NOTED U.S. INFORMATION, STATED THE VIEW THAT THE PROHIBITION IS OUTDATED, AND EXPRESSED HOPE SOMETHING COULD BE DONE ABOUT IT, EVEN IF IT REQUIRES CONGRESSIONAL ACTION.

E. WINE TSUS 167.30: ACCORDING TO THE SWISS DEL PACKAGING AND LABELING IS THE CHIEF CONCERN TO SWISS WINE EXPORTERS. HE SAID THAT, IN THE PAST, PROBLEMS HAVE BEEN RESOLVED SATISFACTORILY ALTHOUGH OFTEN AFTER LENGTHY DELAYS, BUT NOW SWISS ARE WONDERING WHAT THE EFFECT WILL BE OF THE NEW ATF SEAL REGULATIONS. US REPLIED THAT THESE REGULATIONS ARE INTENDED TO IMPROVE THE QUALITY STANDARDS OF US WINES AND ARE NOT TRADE RESTRICTIVE. THEY ONLY FOLLOW LONG

ESTABLISHED EUROPEAN PRACTICES. US DEL ALSO POINTED OUT THAT PROBLEMS CONCERNING QUALITY STANDARDS, LABELING REQUIREMENTS AND CONTAINER SIZES WHICH ARISE IN THE WINE SECTOR REPRESENT ISSUES WHICH COULD BE LIMITED OFFICIAL USE

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PROPERLY DEALT WITH UNDER THE PROCEDURES ENVISAGED BY THE DRAFT STANDARDS CODE. THE SWISS DEL AGREED THAT THE DRAFT STANDARDS CODE SHOULD APPLY "AT LEAST" TO PROCESSED AGRICULTURAL PRODUCTS AND HE SAID AT THIS STAGE HE COULD SEE NO SWISS OPPOSITION TO ITS APPLICATION TO ALL AGRICULTURAL PRODUCTS.

4. IN DISCUSSING A REPORT OF THE CONSULTATION, THE SWISS DEL STATED HIS STRONG PREFERENCE FOR SEPARATE REPORTS WHICH WOULD BE REVIEWED BY THE OTHER DELEGATION PRIOR TO SUBMISSION TO GROUP AGRICULTURE. US DEL OBSERVED THAT SO FAR NO REPORTS HAVE BEEN DRAWN UP FOR OTHER US CONSULTATIONS UNDER "OTHER PRODUCTS" BUT THAT THIS WOULD BE NECESSARY BEFORE THE NEXT GROUP AGRICULTURE MEETING. HE SAID THAT IF SWITZERLAND PREFERS SEPARATE REPORTS, THE US WOULD AGREE.

5. ACTION REQUESTED: PLEASE FORWARD INFORMATION REQUESTED PARA 3(A) RE STATUS OF US QUARANTINE FACILITIES IN FLORIDA, AND PARA 3(B) RE LENGTH OF PERIOD OF VALIDITY FOR LICENSES OF SEMEN IMPORTS. CULBERT

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Message Attributes

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